

2021-2023 Ancillary Employee Benefit Selection



August 18, 2020



Background



- The City offers a variety of ancillary employee benefit programs (dental, vision, life and disability insurance, long-term care and flexible spending accounts)
- Most ancillary benefit programs are employee funded; employee participation is voluntary
- The City strives to select providers that offer employees the best coverage at the lowest cost



Background



- In March, staff issued an employee benefits RFP
- City utilizes a benefits consultant (IMA) to review, compare RFP responses and recommend qualified providers
- Staff Screening and Selection Committee (SSSC) was formed including employee members from the Health Insurance Advisory Committee



RFP Recommendations - Dental



- Delta Dental of Kansas (current provider)
- Administrative fees will drop almost 26%, saving employees nearly \$30,000 annually with a five-year rate guarantee
- No changes to plan design
- 100% employee paid
- Premiums to be presented with group health presentation



RFP Recommendations - Vision



- Vision Service Plan – VSP (current provider)
- Administrative fees will drop approximately 42% for estimated annual plan savings of \$41,000 with a five-year rate guarantee
- Vision is 80% City funded and 20% employee funded
- Premiums are embedded in group health rates



RFP Recommendations – Life, AD&D, Dep. Life, Vol. AD&D and Supplemental Life



- The Standard (current provider)
- Premiums will remain flat with a three-year rate guarantee
- Spousal benefits will increase from \$10,000 to \$20,000
- Basic life, AD&D and dependent/spousal benefits are paid 1/3 by the employee and 2/3 is paid by the City
- Supplemental life and voluntary AD&D are 100% employee paid



RFP Recommendations – Long-term Disability (LTD)



- The Standard (current provider)
- Premiums will increase approximately 15%, depending on the member's age band, and are guaranteed for three years
- LTD is 100% employee paid



RFP Recommendations – Long-term Care



- UNUM (current provider)
- Long-standing policy with no rate or benefit changes
- 100% employee paid



RFP Recommendations – Flexible Spending



- Surency (current provider)
- Administrative fees will remain flat with a five-year rate guarantee
- Administrative fees are 100% City paid



Recommended Action



- Approve the 2021-2023 ancillary vendor selections
- Approve the 2021-2023 ancillary vendor fees and rates as proposed

